

EXHIBIT**INFORMATION REPORT INFORMATION REPORT****CENTRAL INTELLIGENCE AGENCY**

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

SECRET

50X1-HUM

COUNTRY Hungary**REPORT****SUBJECT** Exports of Pharmaceutical Products **ACET** **DATE DISTR.****4 DEC 1961**

50X1-HUM

NO. PAGES

1

REFERENCES

50X1-HUM

DATE OF INFO.**PLACE & DATE ACQ.**

50X1-HUM

THIS IS UNEVALUATED INFORMATION. SOURCE CREDITS ARE BEING MAINTAINED.

exports of pharmaceutical products by the Hungarian foreign trade agency MEDIMPEX. The report contains information on the volume of exports in 1959 to both Bloc and non-Bloc countries and discusses briefly the factors influencing the increased volume of exports since 1955. Included are two tables showing the total value of exports in 1955 and 1959 and the decline in price of four specific export items which took place between 1958 and 1959.

50X1-HUM

SECRET

50X1-HUM

STATE	<input checked="" type="checkbox"/>	ARMY	<input checked="" type="checkbox"/>	NAVY	<input checked="" type="checkbox"/>	AIR	<input checked="" type="checkbox"/>	NSA	<input checked="" type="checkbox"/>	OCR	<input checked="" type="checkbox"/>	DIA	<input checked="" type="checkbox"/>	ORR	<input checked="" type="checkbox"/>	Ev	<input checked="" type="checkbox"/>
-------	-------------------------------------	------	-------------------------------------	------	-------------------------------------	-----	-------------------------------------	-----	-------------------------------------	-----	-------------------------------------	-----	-------------------------------------	-----	-------------------------------------	----	-------------------------------------

(Note: Washington distribution indicated by "X"; Field distribution by "#").

INFORMATION REPORT INFORMATION REPORT

Sanitized Copy Approved for Release 2011/05/19 : CIA-RDP80T00246A061100080001-4

Page Denied

50X1-HUM

Sanitized Copy Approved for Release 2011/05/19 : CIA-RDP80T00246A061100080001-4

in 1955, with Soviet Bloc countries/
volume of business/631 percent and with Western countries 366 percent compared

50X1-HUM

with 1949. This increase was particularly noticeable in the period 1955 to 1959.

The increase in transactions with Bloc countries is due chiefly to the development of sales to the USSR -- from 15.5 million forints in 1955 to 111.6

million forints in 1959. There have also been important increases in trade with Yugoslavia. On the other hand, a considerable decrease has taken place in trade with Communist China.

50X1-HUM

As regards the capitalist countries, the increase in the volume of business since 1955 is actually much more important considering the price drop which took place during this period, particularly in 1959. Despite the difficult market situation, Medimpex's efforts to maintain its prices were not without success. Prices of certain important articles were maintained by/means of agreements or other commercial policy measures. Thus, prices remained unchanged for deliveries of morphine derivatives, which make up a large share of exports, ~~account for a large share of total exports~~, and oxyteracyline.

50X1-HUM

SECRET

50X1-HUM

[redacted] growth in exports to capitalist countries is due to the impetus 50X1-HUM given to research, the introduction of new products on the market, and the analysis ~~study~~ of foreign markets. The proportion of patent medicines included in exports is small and decreases each year; by contrast the proportion of basic materials is increasing. This situation is due to insufficient publicity by the commercial services. However, DEGRANOL, a medicament 50X1-HUM for treating cancer, met with considerable success [redacted]

[redacted] as a result of a skillful 50X1-HUM advertising campaign. Medimpex attaches considerable importance to developing exports of patent medicines. These products generally are quite profitable since they are sold at prices considerably above ~~the~~ cost. Moreover, these products are less subject to fluctuations in world market prices. For these reasons, since 1959 Medimpex has had to take measures to increase sales of patent medicines. Efforts have been made to make these products known and appreciated. The principal measures are ~~a~~ manufacture under license and 50X1-HUM sales by foreign firms [redacted]

[redacted] MEDIMPEX is also interested in the export of medicinal herbs 50X1-HUM Western ~~to~~ countries where there are no restrictions on these items. [redacted] 50X1-HUM

SECRET

50X1-HUM

50X1-HUM

SECRET

50X1-HUM

Table IExports of Pharmaceutical Products in 1955 and 1959
(in 1,000 forints)

	1955	1959	Increase (1955 = 100)
To Bloc countries	74,563.7	173,398.6	232.6
countries			
To capitalist/	<u>38,530.6</u>	<u>62,635.0</u>	162.6
Total	113,094.3	236,033.6	208.7

Table IIPrice Drop of Selected Export Items
(in forints per kg)

	Average Price in 1958	Average Price in 1959	Percentage Drop
⁰¹ Chloramphenicol (per kg)	128	56.50	55.9
Vitamin B 12	122	65	46.7
Papaverin Hcl	27.40	19.80	27.7
Vitamin B 1	37.20	20	46.2

SECRET

50X1-HUM

50X1-HUM

Sanitized Copy Approved for Release 2011/05/19 : CIA-RDP80T00246A061100080001-4

with Soviet Bloc countries/
volume of business 631 percent and with Western countries 366 percent compared
with 1949. This increase was particularly noticeable in the period 1955 to 1959.
The increase in transactions with Bloc countries is due chiefly to the devel-
opment of sales to the USSR -- from 15.5 million forints in 1955 to 111.6
million forints in 1959. There have also been important increases in trade
with Yugoslavia. On the other hand, a considerable decrease has taken place
in trade with Communist China.

As regards the capitalist countries, the increase in the volume of business
since 1955 is actually much more important considering the price drop which
took place during this period, particularly in 1959. Despite the difficult
market situation, Medimpex's efforts to maintain its prices were not without
success. Prices of certain important articles were maintained by/means of agreements
or other commercial policy measures. Thus, prices remained unchanged for deliveries of
morphine derivatives, which make
up a large share of exports, ~~account for 10 percent of total exports~~, and
oxyteracycline.

50X1-HUM

exports which formerly went to

Sanitized Copy Approved for Release 2011/05/19 : CIA-RDP80T00246A061100080001-4 countries.

50X1-HUM

50X1-HUM

This ~~xxx~~ growth in exports to capitalist countries is due to the impetus given to research, the introduction of new products on the market, and the analysis ~~of~~ of foreign markets. The proportion of patent medicines included in exports is small and decreases each year; by contrast the proportion of basic materials is increasing. This situation is due to insufficient publicity by the commercial services. However, DEGRANOL, a medicament for treating cancer, met with considerable success

50X1-HUM

as a result of a skillful

50X1-HUM

advertising campaign. Medimpex attaches considerable importance to developing exports of patent medicines. These products generally are quite profitable since they are sold at prices considerably above ~~the~~ cost. Moreover, these products are less subject to fluctuations in world market prices. For these reasons, since 1959 Medimpex has had to take measures to increase sales of patent medicines. Efforts have been made to make these products known and appreciated. The principal measures are manufacture under license and sales by foreign firms

50X1-HUM

MEDIMPEX is also interested in the export of medicinal herb Western to ~~xxxxxx~~ countries where there are no restrictions on these items.

50X1-HUM

50X1-HUM

50X1-HUM

SECRET

50X1-HUM

Table I

Exports of Pharmaceutical Products in 1955 and 1959
(in 1,000 forints)

	1955	1959	Increase (1955 = 100)
To Bloc countries	74,563.7	173,398.6	232.6
countries			
To capitalist/	<u>38,530.6</u>	<u>62,635.0</u>	162.6
Total	113,094.3	236,033.6	208.7

Table II

Price Drop of Selected Export Items
(in forints per kg)

	Average Price in 1958	Average Price in 1959	Percentage Drop
⁰¹ Chloramphenicol	128	56.50	55.9
(paracetamol) Vitamin B 12	122	65	46.7
Papaverin Hcl	27.40	19.80	27.7
Vitamin B 1	37.20	20	46.2

50X1-HUM

Page Denied

Next 3 Page(s) In Document Denied